

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NOS. 2002-22-C & 2002-189-C - ORDER NO. 2002-690

SEPTEMBER 27, 2002

IN RE: Docket No. 2002-22-C – Application of Weston	)	ORDER GRANTING
Telecommunications, LLC for a Certificate of	)	CERTIFICATE FOR
Public Convenience and Necessity to Operate as	)	INTEREXCHANGE
a Reseller of Interexchange Telecommunications	)	AUTHORITY AND
Services; and for Alternative Regulation.	)	FOR MODIFIED
	)	ALTERNATIVE
AND	)	REGULATION;
	)	APPROVING
Docket No. 2002-189-C – Joint Application of	)	ACQUISITION OF
Easton Telecom Services, LLC, Easton Telecom	)	CUSTOMER BASE
Services, Inc., and Weston Telecommunications,	)	AND NAME
LLC for Authority to Acquire Certain Assets of	)	CHANGE;
Easton Telecom Services, Inc., to Approve	)	APPROVAL OF
Name Change, and to Provide Local	)	LOCAL EXCHANGE
Telecommunications Services for Weston	)	AUTHORITY AND
Telecommunications, LLC.	)	FLEXIBLE
	)	REGULATION;
	)	APPROVAL OF
	)	TRANSFER OF
	)	CERTIFICATES AND
	)	TARIFFS; ALL ON
	)	AN EXPEDITED
	)	BASIS

This matter comes before the Public Service Commission of South Carolina (the “Commission”) by way of the Application of Weston Telecommunications, LLC (“Weston” or the “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of interexchange telecommunications services within the State of South Carolina. In addition, the Company requests that the

Commission regulate its business services offerings under the identical regulatory treatment granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. Additionally, this matter becomes before the Commission on the Joint Application of Easton Telecom Services, LLC (“Easton, LLC”), Easton Telecom Services, Inc (“Easton, Inc.”), and Weston Telecommunications, LLC (collectively the “Applicants”) for authority to acquire certain assets of Easton Telecom Services, Inc. to approve a name change, and to provide local telecommunications services for Weston Telecommunications, LLC. Further, the Applicants requested this Commission to consolidate these dockets for hearing purposes and to handle the matter in an expedited fashion. The Applications were filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 2001) and the Regulations of the Public Service Commission of South Carolina.

The Commission’s Executive Director instructed Weston and Easton Telecom Services, LLC f/k/a Weston Telecommunications, LLC and Easton, Inc. (joint Application) to publish, one time, prepared Notices of Filing in newspapers of general circulation in the affected areas. The purpose of the Notices of Filing was to inform interested parties of the Easton and Weston Applications and of the manner and time in which to file the appropriate pleadings for participation in the proceedings. The Companies complied with this instruction and provided the Commission with proof of publication of the Notices of Filing. A Petition to Intervene was received from the South Carolina Telephone Coalition (“SCTC”) on July 17, 2002.

On July 30, 2002, counsel for SCTC filed with the Commission a Stipulation in which Easton Telecom Service, LLC stipulated that it would seek authority in non-rural

local exchange ("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until Easton provided written notice of its intent prior to the date of the intended service. Easton also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. Easton agreed to abide by all State and Federal laws and to participate to the extent that it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to Easton to provide local services provided the conditions contained in the Stipulation are met. The Stipulation was entered into the evidence of the hearing, and the Staff requested that the Stipulation be approved by the Commission. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was convened on August 21, 2002, at 10:30 a.m. in the Commission's Hearing Room at 101 Executive Center Drive, Columbia, South Carolina. The Honorable Mignon Clyburn, Chairman, presided. Easton/Weston was represented by Bonnie D. Shealy, Esquire. Adelaide D. Kline, Staff Attorney, represented the Commission Staff.

Robert E. Mocas, President of Easton Telecom Services, LLC, f/k/a Weston Telecommunications, LLC, appeared and testified in support of the Application. As President, Mr. Mocas testified about his background and experience in business and telecommunications. He said he entered the telecommunications industry in 1983 as a consultant trainee with Mid-Com Consultants reporting to the Executive Vice President.

Mr. Mocas offered that he became familiar with all types of local and long distance telecommunications billings and voice and data services and was promoted to Senior Vice President in 1988. He said he left the firm in 1992 to found Resale LD Company which he operated successfully as President for seven years. He said when he sold that company in 1999, he remained as President of the wholly-owned subsidiary, Easton Telecom Services, Inc. Mr. Mocas said he formed Weston Telecommunications, LLC in 2001 as a vehicle to purchase the assets of Easton from Teligent (in Chapter 11 bankruptcy) and that Weston now operates as a privately-held company.

Mr. Mocas described the Applicants as Easton Telecom Services, LLC, Easton Telecom Services, Inc. and Weston Telecommunications, LLC. He testified that Easton, Inc. was granted authority to offer interexchange services in South Carolina on July 24, 1996 in Order No. 96-443 and authority to offer local exchange services on May 27, 1997 in Order No. 97-456. He explained that Easton was purchased by Teligent, Inc. in 1999 and that the Teligent family of companies, including Easton, Inc., had filed for bankruptcy. He said Easton, LLC is a limited liability company organized under the laws of Ohio. He said Easton, LLC is in the process of filing nationwide to change its corporate name from Weston to Easton, LLC.

Outlining the asset transfer transaction for which the Applicants are seeking Commission approval, Mr. Mocas said he and his wife founded Easton, Inc. in 1992 and in 1999 sold the Company to Teligent, Inc. who later filed for Chapter 11 bankruptcy protection. He said at that time, they formed Easton, LLC so that they could re-acquire the assets of their former company, Easton, Inc. He further explained that Easton, Inc.

and Weston entered into an asset purchase agreement which was approved by the Bankruptcy Court for the Southern District of New York on November 15, 2001. He said the agreement authorized the sale of the following: (a) the right to provide Easton customers with telecommunications and ancillary services; (b) the right to receive payments from Easton customers; (c) the right to receive accounts receivable for Easton customers; (d) the right to use the name Easton Telecom Services, Inc; and (e) the certificates of authorization and tariffs of Easton. He said the Bankruptcy Court directed them to act quickly so they were unable to apply for and receive the Commission's approval prior to closing. Therefore, he said they respectfully request that the Commission allow them to cure this deficiency *nunc pro tunc* as well as approve the name change and grant a Certificate of Public Convenience and Necessity on an expedited basis.

As to the transfer of assets, Mr. Mocas testified that South Carolina customers will not be impacted by the proposed transaction which will be entirely invisible to them. He said after the transfer, the customers will be served by the same experienced and highly qualified team of telecommunications personnel who originally started the business. He further testified that former Easton, Inc. customers who wish to receive the same services at the same rates will be allowed to continue on a grandfathered basis. The record reveals that Easton, LLC will take whatever steps are necessary to ensure that no Easton, Inc. customer experiences a material change in service or an increase in rates.

As to the name change, Mr. Mocas offered that as part of the asset purchase agreement, Weston obtained the right to use the name Easton Telecom Services, Inc. He

said that after Weston filed its interexchange application, the articles of organization were amended and the name changed from Weston to Easton Telecom Services, LLC.

According to the testimony, Weston (Easton, LLC, f/k/a Weston) is an Ohio limited liability company that has been authorized to transact business within the State of South Carolina, is headquartered in Ohio, and is certificated in approximately forty-nine states. Mr. Mocas testified that the Company is offering long distance services in all states and local services in Wisconsin, Indiana, Illinois, Michigan and Ohio. He said his Company would soon be offering local services in Texas, California and Nevada. According to Mr. Mocas, Easton, LLC, seeks authority to operate as a reseller of intrastate interexchange and local telecommunications services to the public on a statewide basis and to offer a full range of "1+" interexchange telecommunications services on a resale basis. Specifically, Easton, LLC, f/k/a Weston seeks authority to provide MTS, out-WATS, in-WATS, and calling card services. He testified that Easton, LLC intends to provide local services to its subscribers on a resale basis. He further stated that the majority of customers of Easton, LLC f/k/a Weston, are business customers. The record reveals that Easton, LLC will offer service to its subscribers using facilities of the communications networks of Global Crossing, other facilities-based IXC's, and the local exchange telephone companies. Mr. Mocas stated that Easton, LLC intends to negotiate an interconnection agreement with BellSouth. Mr. Mocas said that Easton, LLC will market its services via direct sales through independent distributors who will obtain signed Letters of Agency. He said Easton, LLC does not intend to use telemarketing in South Carolina.

According to Mr. Mocas's testimony, Easton, LLC has sufficient technical, financial, and managerial resources and ability to provide the telecommunications services for which authority is sought. He testified that Easton, LLC's personnel represent a broad spectrum of business and technical disciplines, possessing many years of individual and aggregate telecommunications experience. He said the management team has been operating professionally, successfully, and profitably since 1995 when Easton was formed. Mr. Mocas said that Easton, LLC has approximately eighteen employees. The record reveals that James W. Butler is Director of Sales and Marketing. He previously was the Manager of Support Services. Mr. Butler has approximately twelve years of experience in the telecommunications industry. Denise L. Stoppenhagen is Director of Network Services. She has eleven years of industry experience. Dawna R. Kornick is Manager of Customer Support & Local Services and has thirteen years of industry experience. The Manager of Credit and Collections is Pamela Sheehan. Beth Steward, now Controller, has held several positions in the Accounts Payable Department for twenty years. Jim Kolezynski, Director of Operations, has twenty-seven years of telecommunications experience. He previously worked with SBC/Ameritech, Ohio Bell and AT&T. Mr. Mocas testified that he, Mr. Mocas, will be the Company's customer complaint and financial contact person.

With regard to the financial qualifications, Mr. Mocas notes that the Company has an existing customer base and some debt that had to be incurred in order to acquire the assets from Easton Telecom Services, Inc., according to the purchase agreement. He said

the Company has a \$100,000 line of credit available. Further, Mr. Mocas testified that the Company has been paying its bills mostly on time without having to borrow money.

Easton, LLC indicates a desire to have the Company's business services regulated by alternative regulation. The Company requested that all of its business service offerings be regulated pursuant to the procedures described and set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. It is Easton, LLC's intent by this request to have its business services regulated in the same manner as this Commission has permitted for AT&T Communications of the Southern States. Alternative regulation has now been modified by this Commission because of the re-imposition of rate caps with regard to certain "operator assisted calls" where a customer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls.

Easton, LLC also requested flexible regulation of its local tariff filings. Mr. Mocas explained his understanding of flexible regulation by this Commission that tariff filings are presumed valid upon filing, subject to the Commission's right within thirty days to institute an investigation of the local tariff filing.

According to Mr. Mocas's testimony at the hearing and the record, Easton, LLC operates a customer service department that can be reached by a toll-free number (888) 842-8122. Calls are answered twenty-four hours a day, seven day a week. Additionally, the Company has an email option for customers custserv@eastontel.com.

According to the Application and Mocas's testimony, Easton, LLC requests a waiver of 26 S.C. Code Ann. Regs. 103-610 (1976) so that Easton, LLC can maintain its records outside of South Carolina. The Company wishes to maintain its books and records at its headquarters in Ohio. Mocas stated that the Company is aware and agrees to abide by the Commission's regulation that requires that these records be made available for examination by the Commission at reasonable hours. Easton, LLC also requested that it be allowed to keep its books and financial records according to the Generally Accepted Accounting Principles (GAAP) rather than according to the Uniform System of Accounts (USOA).

According to Mocas, Easton, LLC has never had authority denied in any state where it has applied for authority nor has the Company had authority revoked in any state where it has been granted authority. Additionally, he said that Easton, LLC has never been the subject of an investigation, fined or sanctioned by a state or federal regulatory body. According to the testimony, Easton, LLC has not marketed its services in South Carolina prior to receiving certification. Mocas said that Easton, LLC has never been the subject of an investigation, fined or sanctioned by a state or federal regulatory body. Finally, Mocas testified Easton, LLC will abide by all the Commission's rules, regulations and Orders upon the Company receiving certification to operate as a reseller of intrastate interexchange telecommunications services in South Carolina.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Weston and Easton, LLC are privately held limited liability companies (“LLCs”) duly organized and existing under the laws of the State of Ohio, and have been authorized to do business in the State of South Carolina by the Secretary of State.

2. Weston and Easton, LLC are providers of local exchange and interexchange telecommunications services and wish to provide their services in South Carolina.

3. Easton, LLC has the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. Section 58-9-280 (B)(1) (Supp. 2001).

4. The Commission finds that Easton, LLC’s “provision of service will not adversely impact the availability of affordable local exchange service.” S.C. Code Ann. Section 58-9-280 (B)(3) (Supp. 2001).

5. The Commission finds that Easton, LLC will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280 (B)(4) (Supp. 2001).

6. The Commission finds that the services to be provided by Easton, LLC will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280 (B)(2) (Supp. 2001).

7. The Commission finds that the provision of local exchange service by Easton, LLC “does not otherwise adversely impact the public interest.” S.C. Code Ann. Section 58-9-280 (B)(5) (Supp. 2001).

8. The transfer of the assets from Easton, Inc. to Easton, LLC was previously accomplished.

9. The name Weston Telecommunications, LLC has been changed to Easton Telecom Services, LLC.

10. The proposed transfer of Easton, Inc.'s certificates and applicable tariffs to Easton, LLC customer accounts and contracts will not disrupt service or adversely affect customers in South Carolina. There will be no change in the technical, financial, or managerial resources that are in place and available to serve customers in South Carolina.

11. The suite of telecommunications services currently being provided by Easton, Inc. will be provided to customers in South Carolina by Easton, LLC. The Transaction will be virtually transparent to South Carolina customers.

12. The Commission finds that the Transaction is in the public interest.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Easton, LLC to provide competitive intrastate local exchange services only to customers located in the non-rural areas of the state. The terms of the Stipulation between Easton, LLC and SCTC are approved, and adopted as a part of this Order. Therefore, any proposal to provide local telecommunications service to rural service areas is subject to the terms of the Stipulations. In addition, Easton, LLC is granted authority to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through its own facilities and through the resale of intrastate Wide Area

Telecommunications Services (WATS), Message Telecommunications Service (MTS), directory assistance, travel card service or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. Easton, LLC shall file, its final local service tariff incorporating all changes suggested by Staff, and in conformance with South Carolina law. Easton, LLC's local telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C.

Specifically, the Commission adopts for Easton, LLC competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, Easton, LLC's local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

3. The Commission adopts a rate design for the interexchange services of Easton, LLC consistent with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C and modified by Order No. 2001-997.

Under the Commission approved modified alternative regulation, the business service offerings of Easton, LLC, including consumer card services and operator services, are subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain “operator-assisted calls” where a customer uses a local exchange carrier’s calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to Easton, LLC also.

4. With regard to the residential interexchange service offerings of Easton, LLC the Commission adopts a rate design that includes only maximum rate levels for each tariff charge. The Commission has previously adopted a rate structure incorporating maximum rate levels. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

5. With regard to residential interexchange service rates, Easton, LLC shall not adjust its residential interexchange service rates below the approved maximum levels without notice to the Commission and to the public. Easton, LLC shall file its proposed rate changes, publish notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances that do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of Easton, LLC's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 2001).

6. If it has not already done so by the date of issuance of this Order, Easton, LLC shall file their revised interexchange tariffs and accompanying price lists within thirty (30) days of receipt of this Order. The revised tariffs shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

7. Easton, LLC shall be required to comply with Title 23, Chapter 47, South Carolina Code of Laws Ann. which governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law

enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs Easton, LLC to contact the appropriate authorities regarding 911 service in the counties and cities where Easton, LLC will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association ("SC NENA") with contact information and sample forms. Easton, LLC may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, Easton, LLC shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

8. Easton, LLC is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

9. With regard to Easton, LLC's interexchange service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

10. Easton, LLC shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Easton, LLC changes underlying carriers, it shall notify the Commission in writing.

11. With regard to the origination and termination of toll calls within the same LATA Easton, LLC shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the FCC, pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, Easton, LLC shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

12. Easton, LLC shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The annual report and the gross receipt filings will necessitate the filing of intrastate information. Therefore, Easton, LLC shall keep such financial records on an intrastate basis as needed to comply with the annual report and gross receipt filings. The form Easton, LLC shall use to file annual financial information with the Commission can be found at the Commission's website at www.psc.state.sc.us/forms/default.htm. The two-page form Easton, LLC shall use to file this information is entitled "Annual Information on South Carolina Operations for Interexchange Companies and AOS". Be advised that the Commission's annual report for requires the filing of intrastate revenues and intrastate expenses.

13. In addition, Easton, LLC is required to file annual report information for competitive local exchange carriers. The form Easton, LLC shall use to file its annual

financial information with the Commission can be found on the Commission's website at www.psc.state.sc.us/forms/default.htm. This form is entitled "Annual Report for Competitive Local Exchange Carriers" and consists of four pages. Additionally, Easton, LLC shall file with the Commission a quarterly report entitled "CLEC Service Quality Quarterly Report." The proper form for this report is found on the Commission's website at www.psc.state.sc.us/forms/default.htm.

14. Easton, LLC shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies occurring during non-office hours.

Easton, LLC shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The form Easton, LLC shall use to file this authorized utility representative information can be found at the Commission's website at www.psc.state.sc.us/forms. This form is entitled "Authorized Utility Representative Information." Further, Easton, LLC shall promptly notify the Commission in writing if the representatives are replaced. Easton, LLC shall also file with the Commission a copy of their general Bill Form as required by S.C. Code Regs. 103-612.2 and 103-622 (1976 and Supp. 2001).

15. Easton, LLC shall conduct their businesses in compliance with Commission decisions and Orders, both past and future, including but not limited to, any

and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

16. The FCC in July of 2000 required all telecommunications carriers throughout the United States to implement three-digit, 711, dialing for access to all Telecommunications Relay Services (TRS). The Commission issued a memorandum in March of 2001 instructing all South Carolina telecommunications carriers to implement the service completely by October of 2001. All competitive local exchange carriers (CLECs) and incumbent local exchange carriers (ILECs) were instructed to include language in their tariffs introducing 711 as a new service offering with deployment by July 1, 2001, and to translate 711 dialed calls to 1-800-735-2905. All Payphone Service Providers (PSPs) were instructed to modify their programmable phones to translate calls dialed as 711 to the assigned TRS toll free number 1-800-735-2905 in order to route 711 calls to the TRS provider before October 2, 2001. Additionally, telephone directories were required to be updated and bill inserts promoting 711 were also required. Easton, LLC must comply with the applicable mandates. For complete information on compliance with this FCC and Commission requirement, go to the Commission's website at www.psc.state.sc.us/forms.

17. By its Certification Application, Easton, LLC requested a waiver of 26 S.C. Code Ann. Regs. 103-631 (1976 and Supp. 2001). In lieu of publishing local directories, Easton, LLC informs the Commission that it will contract with the incumbent LECs to provide Easton, LLC's customers with directory listings, as well as to undertake the distribution of directories. The Commission finds Easton, LLC's request reasonable

and grants the requested waiver of the application of 26 S.C. Code Ann. Regs. 103-631 (1976 and Supp. 2001). Further, Easton, LLC is granted a waiver of 26 S.C. Regs. 103-610 (1976 and Supp. 2001) requiring Easton, LLC to maintain its financial books and records within the State of South Carolina. Easton, LLC are hereby granted permission to maintain their financial books and records at their principal headquarters in O'Fallon, Missouri. Further, the Commission acknowledges that the Easton, LLC will maintain its financial books and records in conformance with GAAP. Easton, LLC is directed to comply with all Rules and Regulations of the Commission, unless the Commission specifically waives compliance with a regulation.

18. The Joint Application of Easton Telecom Services, LLC, Easton Telecom Services, Inc., and Weston Telecommunications, LLC for authority to acquire certain assets of Easton Telecom Services, Inc., to approve name change, and to provide local telecommunications services for Weston Telecommunications, LLC is hereby approved.

19. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

20. Each telecommunications company certified in South Carolina is required to file annually the Intrastate State Universal Service Fund (USF) worksheet. This worksheet provides the Commission Staff information required to determine each telecommunications company's liability to the State USF fund. The Intrastate USF worksheet is due to be filed annually no later than August 15th.

21. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Mignon L. Clyburn, Chairman

ATTEST:


Gary E. Walsh, Executive Director

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

Docket No. 2002-189-C

Re: Request of Easton Telecom Services, LLC,)
Weston Telecommunications, LLC, and)
Easton Telecom Services, Inc. for Approval)
of an Asset Acquisition, of a Name)
Change, and for Authority to Provide)
Local Telecommunications Services in)
the State of South Carolina)
_____)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Easton Telecom Services, LLC ("Easton LLC") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Easton LLC's Application. SCTC and Easton LLC stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Easton LLC, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Easton LLC stipulates and agrees that any Certificate which may be granted will authorize Easton LLC to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Easton LLC stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Easton LLC stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until Easton LLC provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Easton LLC acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Easton LLC stipulates and agrees that, if Easton LLC gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Easton LLC will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Easton LLC acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

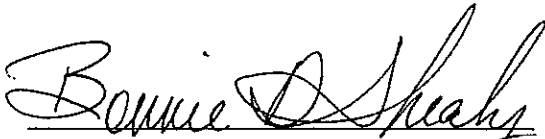
7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Easton LLC, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. Easton LLC agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. Easton LLC hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 22nd day of July, 2002.

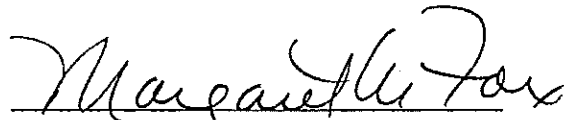
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South Carolina Telephone Coalition



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ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

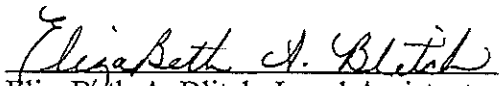
BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
Docket No. 2002-189-C

Re: Request of Easton Telecom Services, LLC,)
Weston Telecommunications, LLC, and)
Easton Telecom Services, Inc. for Approval)
of an Asset Acquisition, of a Name)
Change, and for Authority to Provide)
Local Telecommunications Services in)
the State of South Carolina)
_____)

**CERTIFICATE OF
SERVICE**

I, ElizaBeth A. Blitch, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

Bonnie D. Shealy, Esquire
Robinson, McFadden & Moore, P.C.
Post Office Box 944
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ElizaBeth A. Blitch, Legal Assistant
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July 30, 2002

Columbia, South Carolina